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SAPC 14359

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MEMORANDUM FOR THE RECORD

SUBJECT: Review of S. A. No. 5 to Sub-contract under Prime Contract No. SC-21--54.

1. The work authorized under Supplemental Agreement No. 5 to the subcontract between The Perkin-Elmer Corporation (prime contractor) and Hycon Manufacturing Co. (subcontractor), let pursuant to Prime Contract No. SC-21-54, corresponds with that contained in Appendix I of Supplemental Agreement No. 5 to the prime contract. Supplemental Agreement No. 5 to the subcontract results in an increase to the target price of \$249,650, from \$3,858,635.60 to \$4,108,285.60. Applying the same rates as computed under the basic subcontract, see Memorandum SAPC-3466, to Supplemental Agreement No. 5, it is found that the target profit of \$339,217.23 set forth in Sub-section 1, Section I, "Price Redetermination"; the maximum price of \$4,485,192.60 set forth in sub-section 5(b); and the estimated target cost and profit of \$3,769,068.37 and \$339,217.23, respectively, referred to in Sub-section 5(c) of Supplemental Agreement No. 5 are correct.

2. In view of the fact that the prime contract has been properly amended by prime Supplemental Agreement No. 5 to cover all work and services included in Supplemental Agreement No. 5 to the subcontract, and since the latter mentioned supplemental agreement is correct and in proper form, it is recommended that it be approved for execution between the contracting parties.

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*Author SC-21-54*

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